

Public Hearing on Proposed Water and Waste Water Rates

July 14, 2009

To clarify some points of possible misinformation gleaned from press reports and letters to the Boomerang during recent weeks:

- 1) There is a Wyoming State mandate for all municipalities that henceforth the true **cost of service** for such items as water delivery and wastewater treatment be reflected in the rates charged by the municipalities.
- 2) The **\$85 million capital improvement plan** laid out by the consultants is a 10-year plan, not four years as may have been understood by the public from reports in the newspaper.
- 3) The Red Oak consultants built into their future estimates a **3.5% inflation per annum for operations and maintenance and 5% inflation per annum for capital**, which may be accurate, but then again, may not.
- 4) The Red Oak water and sewer rate schedule for the next four years, as published, will have to be **revisited annually by the City Council** during budget deliberations. If by some miracle the financial picture were to look better than anticipated in the rate study, the rates could be adjusted downward.
- 5) The Red Oak rate study has anticipated **grant opportunities** and awards for the City of Laramie for water and sewer projects to continue at a level similar to the current rate. Given the current state of the economy, this projection may or may not hold true.
- 6) A **water rate graph comparing water rates of other Wyoming municipalities to Laramie's rate** pegs an anticipated 2013 Laramie rate against current rates of those other communities. This will be true if these other communities see no rate increases during that time ... and most likely would have ceased delivering water due to the collapse of their systems.